

CHAPTER 8

AUTOMOBILES

Contents

ADVANCE CONSIDERATIONS

BUYING A CAR

SELLING A CAR

SHIPPING A CAR

DRIVING AT POST

REPAIRS

INSURANCE OVERSEAS

RESOURCES

ADVANCE CONSIDERATIONS

Repeatedly buying and selling vehicles to have the best possible choice for each post can become a major expense. You may be able to use the car you already own. Use the following information to help you through the decision-making process.

State Department Limitations

The Department of State ships one privately owned vehicle (POV) per employee. The size of the vehicle may not be more than 600 cubic feet, with any excess being paid by the employee. The GMC Suburban, Toyota Land Cruiser, and Ford Expedition and Excursion are among current popular models that exceed State limitations.

Import Restrictions

Many countries place restrictions on the types of vehicles that can be imported. Certain colors or models might be prohibited; the car might have to be only two or three years old, or tinted windows might be illegal. This information is generally included in the TM2 welcome cable from post; copies of these for all posts are available at the Overseas Briefing Center (FSIOBCInfoCenter@state.gov).

Contact GSO at post before making any decisions about buying or selling a car—or before beginning the process of removing a catalytic converter.

Local Conditions

Consider the conditions at your future post. If temperatures are very high, air conditioning may be essential. An alarm system may be helpful if theft is common. If roads are narrow, you may prefer a small vehicle.

Check on the availability of spare parts and repair services. (Remember that warranty and part numbers may be different overseas, even for the same model of car.) Ask if there are any makes to avoid.

Find out if a car is even necessary. Some posts offer great public transportation and housing near the embassy or consulate.

New Cars vs. Used Cars

Some posts require new models or cars in near-perfect condition. New cars may be more reliable than older cars and require less maintenance. New car loans may carry a lower interest rate than used car loans.

On the other hand, new cars are expensive, and much of the value is lost in the first few years—just in time for the Foreign Service family to need to sell before moving to the next post. New car warranties may not be valid overseas, negating peace of mind as a factor. New cars may stand out and present a target for theft or other crime.

Driving conditions are not always optimal overseas. Potholes, fender-benders, aggressive trucks and taxis, unusual driving practices like going down the sidewalk, and so forth may be less stressful if you are driving an older car.

Four-Wheel Drive

Post reports may indicate that large, four-wheel drive vehicles are necessary. Double check this information before making an expensive purchase. Ask the condition of roads in the city, where you presumably will do most of your driving. Ask when, where, and how often four-wheel drive is needed. Find out if vehicles are available for rent at post for occasional trips to places with poor roads.

Note that expensive sports utility vehicles are popular targets for carjackings and theft and are not permitted at some posts for that reason.

Right-Hand Drive

Again, opinions vary as to whether to buy a special car if traveling to a country with right-hand drive. Some countries do not allow cars with U.S. configurations. In others, it is your choice. It is probably cheaper to keep the car that you already own, and many

families have reported no problems with driving "on the wrong side of the road" (other than horrified stares from bystanders at children apparently "driving" the vehicle!).

On the other hand, visibility is not as good, turning may become confusing, and insurance premiums may be much more expensive. You may find that buying a car with seemingly limited usefulness may prove surprisingly practical if you are posted to other right-hand drive posts or if you can re-sell the vehicle for a minimum loss.

One Car, Two Cars

Only one car is shipped at U.S. Government expense. You may choose to ship a second vehicle at your own expense or purchase one at post. The need for a second car depends on your family circumstances, local transportation options, embassy commuting information, and personal preferences. Again, check with post for local updates.

BUYING A CAR

Foreign Service families who need to purchase a motor vehicle have more options than their U.S. counterparts. These include:

- **Diplomatic auto sales.** Prices may be discounted, but not all kinds of cars are available. Contact OBC for lists of companies that sell to diplomats and ship overseas (FSIOBCInfoCenter@state.gov).
- **Foreign car manufacturers.** Some of these offer discounts to diplomats posted overseas. You may be able to pick up a car at the factory and drive it to post at U.S. Government expense on a cost-constructive basis (meaning that you may be reimbursed up to the cost of shipping a car from the U.S.) If the car is made locally, it should be easy to find parts and repair facilities for it. Note that the State Department cannot ship foreign-made, foreign-purchased vehicles to the United States.
- **Post departures.** People leaving post may want to sell their vehicles. A big advantage to this is the certainty of having a car when you first arrive. However, if you do not have a chance to examine the car, it may not meet your needs. You may want to enlist someone at post to check the car for you. Make sure that any exemptions the car has received from local laws will pass to a new owner.
- **Dealers at post.** Ask post about whether purchasing a car on the local economy is an option. If so, request information on local dealerships, costs, tax rebates, and so forth.

Additional points to consider:

If you wait to buy a car until 30 days before leaving, you may not have to register the car in the United States, resulting in substantial savings. However, new cars may need to be registered in the United States for the warranty to be valid.

Services such as the State Department Federal Credit Union Priority Assist car buying service can provide other purchasing options (for instance, the SDFCU located a car in Texas for an officer to purchase and drive to his new post in Mexico).

Be sure to ask lots of questions about car loans. In some cases, these may have to be paid off before you leave the United States, resulting in unexpected last-minute difficulties.

SELLING A CAR

- Be sure you keep the title with you; do not let it get packed in your HHE.
- A favorable resale price usually depends on restrictive import-export policies. As the world economy opens up, these policies may change. Do not buy a car assuming that you will get your money out of it based on your post of assignment. Circumstances could change.
- Automobiles may not be sold at a profit overseas unless the proceeds are donated to charity, something that must be documented and approved at post. If you anticipate this situation, keep a record of taxes and capital costs (major repairs); these may affect your cost basis. Investigate the tax implications. If the charity is based in the United States, your donation should be tax-deductible, offsetting the tax that you will owe on the profitable sale. The same might not be true of an overseas charity. One option is to sell the car to the local charity at your cost basis, allowing them to resell the vehicle for a profit.

SHIPPING A CAR

Arranging the Shipment

- Two weeks prior to your requested pickup date, send **all** of the following required documents to the U.S. Despatch Agency in Baltimore to initiate shipment of a personal, or privately owned vehicle (POV) :
 - a completed Vehicle Shipment Form (JF-49)
 - a Title or Certificate of Origin for the vehicle
 - a copy of the Travel Authorization
- Documents should be faxed to 410-631-0058 or mailed to:
U.S. Despatch Agency Baltimore
2200 Broening Highway
Suite 125
Baltimore, MD 21224.
- Two days after faxing and a week after mailing, call DA Baltimore to finalize pick-up arrangements. Points of contact are Kenny Hawkins at 410-631-0061 and Matt Manz at 410-631-0046.

- Baltimore understands the scheduling pressure employees are under when transferring and will make every attempt to accommodate them even if paperwork is submitted with less than two weeks notice.
- DA Baltimore assigns a driveaway firm to pick up the vehicle. Because assignments are made based on competitive bids, employees should contact Despatch prior to speaking directly to a driveaway firm. Baltimore will provide the name and telephone number of the firm they assign. The firm will drive the vehicle from the customer's residence, or other pick-up point, to the port in Baltimore. For vehicles being shipped through Miami Despatch, the driveaway firm will drive the POV to their local facility then truck it to Florida.
- Employees will have a chance to discuss specific issues such as removal of the catalytic converter when they call Despatch. In order to have a catalytic converter removed, you must have your TM-4 and an EPA letter from Transportation (see www.a.state.gov, under Travel and Transportation), stating that you will be moving to a country where lead-free gasoline is not available. Call the company/gas station where you plan to have the work done for an estimate and for an appointment. Prices vary with make, model, and gasoline station. Many establishments will remove catalytic converters as long as you have the EPA letter. Note: Check with the manufacturer (not a dealer) to see if your current automobile, or the one you are planning to purchase, is capable of burning *unleaded* gasoline. Since 1997, some automobiles have been manufactured that cannot use unleaded gasoline.
- They may also coordinate the pick-up date for their vehicle with sailing schedules with various steamship lines.
- Do not put anything in the trunk of the car that is not standard equipment. Spare parts or tires should be shipped with household effects.

Required Documents

Employees MUST have all three documents to set up a POV shipment.

- **JF-49:** Provide as much information as you can. Essential items are name, Social Security Number, pick-up address, requested pickup date and destination. When you call, Kenny and Matt at DA/Baltimore will review the pick-up address and ask for clarification of any needed items on the JF-49 form. Consequently, employees need not worry about items on the JF-49 they may not understand. For instance, Baltimore will complete the fiscal data portion of the form from the Travel Authorization
- **Titles or Certificates of Origin:**

To guarantee hassle-free shipment of personal vehicles, employees should be sure documents meet U.S. Customs Service standards. U.S. Customs is attempting to stem

the export of stolen vehicles and have instituted rigid requirements for ALL vehicle exporters.

Titles and Certificates of Origin are purposely difficult to copy; however, the *owner's name and the VIN (vehicle identification number) must be completely legible*. Stress this point when asking banks or finance companies for copies.

If the vehicle is titled in a spouse's name, and the employee and spouse do not share the same surname, then U.S. Customs will also require a copy of the marriage certificate.

U.S. Customs will also accept Titles signed over to a new owner on the reverse. In this case, both the front and back of the Title must be submitted.

If planning to provide a Certificate of Origin in lieu of a Title note that Certificates of Origin only exist for new vehicles. Employees must take care to obtain a copy of the Certificate of Origin from the dealer, before the dealer submits that document to the Department of Motor Vehicles (DMV) to exchange for a Title. If one fails to obtain a copy of the Certificate of Origin, he or she may have no choice but to wait for the DMV to issue a Title, a process that normally takes 45 days.

- **Travel Authorization** provides required fiscal data and proof to U.S. Customs that employees are assigned abroad.

Preparing the Vehicle

Contact your post regarding recommended vehicle preparation. In addition to removing the catalytic converter and altering the opening on the gas tank (or shipping a funnel) if necessary, the motor, brakes, windshield wipers, lights, horn and exhaust system should be in good operating condition. Check to see that the battery is fully charged and that the cooling system contains sufficient antifreeze to prevent freezing in transit. Hubcaps, floor mats, ashtrays, tools, or anything else pilferable can be removed and shipped with your household goods. A complete set of keys usually accompanies the vehicle. Keep an extra set of keys. Do not pack anything in the trunk.

Shipping Times

An en route cable and ocean bill of lading from DA/Baltimore will notify posts that a vehicle shipment is underway. Keeping in mind time between pickup and sailing and customs and other procedures in the receiving country, employees can expect the following transit times:

to ELSO	10 days
to the Mediterranean	20 days
to Africa	30 - 35 days
to the Middle East	30 - 45 days
to South Asia	45 days
to Southeast Asia	30 days

to East Asia	20 days
to Latin America	20 days

Should employees wish to know the current status of their POV shipments, they may contact Transportation Operations (Tel: (202) 647-4140).

Picking Up the Vehicle

When picking up a car at post, remember that the fluids may have been drained during the shipping process. Locate a service station near the pick-up point in advance and plan to immediately fill the gas tank and top up the oil and other fluids as needed.

DRIVING AT POST

Driving in a foreign country should be considered a privilege. "Rules of the road" in any country are conditioned by culture and may be quite different from American driving behavior. Information about traffic regulations, local laws, and customs can be obtained from the administrative office or the CLO at post. Although diplomatic immunity can offer certain protections, diplomats and their family members are expected to obey traffic laws. Diplomatic immunity can be waived by the Chief of Mission (with permission of the Department of State) if it is in the American interest to do so.

You will need a valid U.S. driver's license in order to acquire one in the host country. The host country driver's license will be valid only for the period that the U.S. license is valid. If you have an American driver's license, you can obtain an international driver's permit, valid for one year, from the American Automobile Association (AAA). (You can apply for a new one by mailing application, photographs, and fee to AAA—see <http://www.aaa.com>.) Teenagers may find that though they have a valid U.S. license, host country age requirements may prevent them from obtaining a driver's license overseas.

Repairs

Check with your new post regarding availability of replacement parts and supplies. Parts such as air filters, oil filters, fuel filters, spark plugs, belts, fuses, and windshield wipers can be easily packed in HHE if they are difficult to locate or expensive at post. (Metric sizes may make it difficult to find an exact fit). If you are short on space, the right hoses and belts can often be "created" locally. If you are not sure what to take, contact a reliable mechanic or dealership and explain that you need to take supplies for all of the maintenance that your vehicle will need over the next two or three years. They may be willing to help you make a list and even put together a package for you.

It also may be useful to talk to a U.S. dealership or your current mechanic about the possibility of sending parts to you as needed. Other strategies include enlisting the help of family members, picking up parts when visiting the United States, or using a parts dealer. E-mail OBC for more information (FSIOBCInfoCenter@state.gov).

INSURANCE OVERSEAS

Most posts require that an automobile primary (also called third-party) liability policy be issued in the country in which you are posted. This can be accomplished by a direct purchase of coverage at post or through U.S. brokers that represent local companies.

Coverage and premiums vary widely. In the event the locally purchased primary liability policy provides inadequate limits of coverage, additional coverage called “excess liability coverage” is available through U.S. brokers. Adequate coverage is highly recommended.

Full protection on the car itself is available through some U.S. brokers (contact OBC for a list at FSIOBCInfoCenter@state.gov) who specialize in this coverage, with which the car is insured at all times outside the United States regardless of location. Policies should include comprehensive, collision, and full marine insurance (which covers vehicles in transit).

Marine insurance is a matter of personal choice; however, remember that the Military and Civilian Personnel Claims Act does not fully cover privately owned vehicles. Shipping records show that catastrophic loss or damage to vehicles shipped overseas is extremely rare and that minor damage—cracked windshields, missing accessories, frayed tires—may not exceed the deductible and may, in fact, be less than the cost of insurance. Nevertheless, the Department strongly recommends purchase of personal marine insurance. (See also Chapter 6, “Insurance.”)

RESOURCES

Transportation Operations Branch (A/OPR/ST/TD)
Room 1244, Main State
Department of State
Washington, DC 20520
Telephone: 202-647-4140
800-424-2947 outside DC metropolitan area

American Automobile Association
Telephone: 703-222-2000
<http://www.aaa.com>

State Department Federal Credit Union
1630 King Street
Alexandria, VA 22314-2745
or
Room 1827, Department of State
Telephone: 703-706-5000 (both locations)
800-296-8882
<http://www.sdfcu.org>

Overseas Briefing Center (M/FSI/TC/OBC)
The Transition Center
Foreign Service Institute
Room E2126
4000 Arlington Boulevard
Arlington, VA

Tel: 703-302-7277
Fax: 703-302-7452
Website: <http://www.state.gov/m/fsi/tc/>
E-mail: FSIOBCInfoCenter@state.gov

General Information:

www.mapsupport.com

Very useful guide including information on kinds of cars, parts, dealers, manufacturers available in countries around the world.

Consumer Reports:

www.consumerreports.org

Extensive information on and ratings of both new and used cars